

FISCAL NOTE

SB 1703 - HB 1814

March 12, 1997

SUMMARY OF BILL: Provides that all sales and use tax, except for .5%, would be credited to corporations for purchases of items associated with the construction and equipping of a new or expanded corporate headquarters facility. Eligibility requirements include a minimum \$50 million investment which must be completed within a six year period, with the new facility being used as a corporate headquarters or expansion for 10 years. The credit would apply to investment and purchases made on or after January 1, 1997 and will not apply to any such purchases or investments made subject to plans filed after December 31, 2002.

ESTIMATED FISCAL IMPACT:

Forgo State Revenues - Exceeds \$900,000

Assumes applicable taxable expenditures of approximately \$100 million over the six year period with an average annual decrease in state sales tax exceeding \$900,000.

To the extent that this bill in conjunction with other economic incentives causes the establishment or expansion of such businesses that would not have occurred in the absence of the bill, we estimate a significant increase in state and local government revenues. The amount of such increase cannot be determined.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director